



Alibaba Increases Stake in E-commerce Platform Lazada

Alibaba doubling down in Southeast Asia

Hangzhou, China/Singapore, June 28, 2017 – Alibaba Group Holding Limited (NYSE: BABA) announced today that it will invest approximately USD1 billion to increase its stake in Lazada Group, the leading e-commerce platform in Southeast Asia, from 51% to approximately 83%. This transaction demonstrates the continued success of Lazada's business, Alibaba's confidence in the growth potential of the Southeast Asian markets and its commitment to the region as part of its global strategy.

Alibaba will purchase the shares of certain Lazada shareholders at an implied valuation of USD3.15 billion for the company, reflecting a significant increase in the value of Lazada since Alibaba first acquired its majority stake in April 2016. The transaction will increase Alibaba's total investment in Lazada to over USD2 billion. Lazada will continue to operate under the same brand following this investment.

Alibaba's investment in and collaboration with Lazada have been an important part of expanding Alibaba's global footprint, providing it with unrivalled access to consumers in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. With only 3% of the region's total retail sales conducted online, Southeast Asia is expected to offer tremendous growth potential.

With Alibaba's scale, e-commerce know-how and technology expertise supporting the execution of Lazada's management team, the two businesses have successfully developed a vibrant e-commerce gateway, giving brands and sellers access to the 560 million consumers in the region. The cooperation has also enabled Lazada to invest further in the marketplace, technology, payments and logistics, greatly enhancing its services and providing an unparalleled consumer experience for online shoppers, as well as critical support for the region's merchants, many of whom are small businesses.

"As a market leader, Lazada has demonstrated its ability to execute and further lead the region in products and services with the best consumer experience in Southeast Asia while growing a strong ecosystem that supports small businesses going online," said Daniel Zhang, CEO of Alibaba Group. "The e-commerce markets in the region are still relatively untapped, and we see a very positive upward trajectory ahead of us. We will continue to put our resources to work in Southeast Asia through Lazada to capture these growth opportunities," he added.

Maximilian Bittner, CEO of Lazada Group, said, "I couldn't be more excited to deepen our relationship with Alibaba. With their support, we will continue to empower brands and sellers to offer a wide selection of unique assortment to consumers across Southeast Asia while delivering an exceptional customer experience backed by our best-in-class logistics network."

During the past 12 months, both Lazada and Alibaba worked on a number of initiatives to advance e-commerce in Southeast Asia, endeavoring to lower barriers and facilitate borderless commerce. These initiatives include the establishment of an e-fulfillment center in Malaysia which forms part of Alibaba's Electronic World Trading Platform (eWTP) strategy, advancing "Thailand 4.0", and launching Taobao Collection in Singapore and Malaysia allowing local customers to shop for high quality products from China.

Morgan Stanley Asia Limited acted as exclusive financial adviser for the transaction.

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About Alibaba Group

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba, and that it will be a company that lasts at least 102 years.

About Lazada Group

Lazada is the number one online shopping & selling destination in Southeast Asia – present in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Lazada helps more than 100,000 local and international sellers as well as 2,500 brands serve the 560 million consumers in the region through its marketplace platform, supported by a wide range of tailored marketing, data, and service solutions. Lazada offers an excellent customer experience through a wide network of logistics partners and its own first and last mile delivery arm.

Safe Harbor Statements

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expect," "future," "continue," "strategy" and similar statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement. Further information regarding these and other risks is included in Alibaba's filings with the SEC. All information provided in this press release is as of the date of this press release and is based on assumptions that Alibaba believes to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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